APPROVED BY THE COMMITTEE

JAN 05 2015

SECRETARY OF THE BOARD

MEETING OF THE UNIVERSITY HEALTHCARE SYSTEM COMMITTEE

OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

NOVEMBER 3, 2014

This meeting of the University Healthcare System Committee was held in Room 270, College of Pharmacy Building, 833 South Wood Street, Chicago campus, Chicago, Illinois, on Monday, November 3, 2014, beginning at 2:37 p.m. Attendance via videoconference was available in Room 1030, National Center for Supercomputing Applications, 1205 West Clark Street, Urbana campus, Urbana, Illinois; the Hatmaker Room, Room 550, Public Affairs Center, One University Plaza, Springfield campus, Springfield, Illinois; and Dean's Conference Room, 1601 Parkview Avenue, College of Medicine, Rockford, Illinois.

Trustee Timothy N. Koritz, chair of the committee, welcomed everyone to the meeting and asked the clerk to call the roll. The following committee members were present: Mr. Ricardo Estrada, Mr. Patrick J. Fitzgerald, Dr. Timothy N. Koritz. Mr. Lucas N. Frye, student trustee from the Urbana campus, and Ms. Danielle M. Leibowitz, voting student trustee from the Chicago campus, were present. President Robert A. Easter attended the meeting via video conference at a remote location.

Dr. Phyllis M. Wise, chancellor, Urbana campus, and vice president, University of Illinois; and Dr. Christophe Pierre, vice president for academic affairs, also

attended the meeting via videoconference from remote locations. In addition, the following University officers were present: Mr. Walter K. Knorr, vice president/chief financial officer and comptroller; Dr. Jerry L. Bauman, interim vice president for health affairs; Mr. Thomas R. Bearrows, University counsel; and Dr. Susan M. Kies, secretary of the Board of Trustees and of the University. Attached is a listing of other staff members in attendance at this meeting, as well as some members of the media.

Dr. Koritz requested a motion to approve the minutes of the meeting held September 3, 2014. On motion of Mr. Estrada, seconded by Mr. Fitzgerald, the minutes were approved. There were no "nay" votes.

PRESENTATIONS

Establish an Engineering-Focused College of Medicine at UIUC

Dr. Koritz asked Dr. Wise to provide a presentation on the proposed establishment of an engineering-focused College of Medicine at Urbana (materials on file with the clerk). Dr. Wise referred to a presentation on this topic that she made to the committee in September 2014, and said the plans she will discuss today are the result of the work of many at the University and at the Carle Healthcare System. She discussed the concept and vision for establishing an engineering-focused College of Medicine at Urbana and referred to the financial commitment from the Carle Foundation. Dr. Wise stated that through this partnership, it will be possible to meet the goal of providing health care to more people at a lower cost. She commented on the strengths of the Urbana campus and

the potential partnership with the Carle Healthcare System, and she commented on the intended small class size. Dr. Wise then discussed the proposed governance for the college and described the role of the dean of the College of Medicine, who she said would also serve as the chief academic officer at the Carle Healthcare System. She also referred to the creation of a faculty committee who would serve in an advisory capacity to the dean, and she presented plans for hiring new faculty and staff. Dr. Wise also discussed the impact of the proposed college on the Chicago campus.

Next, Dr. Wise presented key elements of the financial plan to support the proposed College of Medicine at Urbana and emphasized the cumulative positive budget. She discussed start-up costs and revenue, economic development, an engineering-focused College of Medicine curriculum, and the timeline, with plans to admit the first class in December 2017. She concluded her presentation at 3:36 p.m.

Dr. Koritz thanked Dr. Wise for the presentation. Mr. Fitzgerald inquired about efforts to establish engineering-focused medical schools at other universities, and Dr. Wise stated that it is difficult to retrofit an existing medical program to be engineering-focused. She provided examples of institutions in the process of creating colleges of medicine and also discussed their philanthropy efforts. Dr. Wise responded to questions regarding the calculation of expenses. Mr. Montgomery emphasized the need for the Urbana and Chicago campuses to work together and use resources efficiently, adding that it is important for the University to pursue this area of medical education. Dr. Wise referred to discussions with Dr. Paula Allen-Meares, chancellor, Chicago, and vice

president, University of Illinois, and Dr. Dmitri Azar, dean of the College of Medicine at Chicago, and said both the State and University can benefit from two great Colleges of Medicine and two great Colleges of Engineering. Dr. Koritz referred to letters of support and highlighted one from the dean of the College of Engineering at Urbana that said creating a link between engineering and medicine is essential for the College of Engineering. There were no additional comments or questions regarding the proposed College of Medicine at Urbana.

Implementing the Convergence of Engineering, Technology, and Medicine

At 3:47 p.m., Dr. Koritz asked Dr. Azar to provide a presentation on the implementation of the convergence of engineering, technology, and medicine (materials on file with the clerk). Dr. Azar referred to the pillars of the College of Medicine at Chicago and a convergence of engineering, technology, and medicine. He commented briefly on the negative consequences of establishing a College of Medicine at Urbana and presented an alternative plan. Dr. Azar discussed four recommendations, which include the integration of engineering into the curriculum of the College of Medicine at Chicago; redefining the role of the Urbana campus; formalizing clinical partnerships; and creating the Illinois Translational Bioengineering Institute. He provided additional information regarding each recommendation and discussed the advantages of each. Dr. Azar responded to questions about the cost of implementing these recommendations. Committee members inquired about the role of the Carle Healthcare System, and Dr. Azar reported that it is

currently a partner for UIC College of Medicine students at Urbana. He indicated that this relationship would continue. Mr. Fitzgerald asked if these recommendations will be implemented if the proposed College of Medicine at Urbana goes forward, and Dr. Azar indicated that these recommendations are an alternative plan, noting that the creation of a separate medical school at Urbana is not good for the University. His presentation and related discussion concluded at 4:07 p.m.

REVIEW OF RECOMMENDED BOARD ITEMS FOR THE MEETING OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS ON NOVEMBER 13, 2014

Dr. Koritz introduced the discussion of items within the purview of the committee on the Board's agenda for its meeting on November 13, 2014. The recommended Board items discussed at the meeting are on file with the clerk.

Direct President to Explore Medical Education and Research for the Twenty-First Century

Dr. Koritz asked President Easter to comment on the agenda item directing the president to explore medical education and research for the 21st century. President Easter stated that the goal is to assess the current situation regarding the academic medical center and medical education at the University and to determine the best path forward for serving the people of Illinois, students, and the University. Dr. Kies read the resolution and a memorandum of understanding (MOU) between the Carle Foundation and University of Illinois on behalf of the Urbana campus. Mr. Knorr and Dr. Kies noted that the MOU is

still a draft with some small changes being made, and Mr. Knorr said that it is non-binding. Discussion followed regarding the resolution and proposals from the Urbana and Chicago campuses, and all committee members agreed that an assessment and report from President Easter would be useful. President Easter also provided some information regarding the process for the establishment of a new college.

Approve Minutes of Meeting of Wolcott, Wood and Taylor, Inc.

At 4:24 p.m., Dr. Azar discussed the recommendation to approve the minutes of the meeting of Wolcott, Wood and Taylor, Inc., (WWT) held on September 11, 2014. There were no comments or questions regarding this item.

Approve Amendments to the Medical Staff Bylaws,
University of Illinois Hospital and Health Sciences System

Dr. Koritz then asked Dr. Bernard "Bud" Pygon, chief medical officer, University of Illinois Hospital, to provide information regarding proposed amendments to the medical staff bylaws for the University of Illinois Hospital and Health Sciences System. Dr. Pygon provided an overview of the proposed changes and discussed the rationale for each. There were no questions or concerns expressed regarding this item.

Approve Budget Increase, First Floor Renovation and Fire Protection Modernization, Library of the Health Sciences, Chicago

Dr. Koritz then asked Mr. Michael B. Bass, senior associate vice president and deputy comptroller, to provide background information on the recommendation to increase the project budget for the first-floor renovation and fire protection modernization at the Library of the Health Sciences at Chicago. He explained that infrastructure items identified as being essential to the successful completion of this project require an increase in the budget. Mr. Bass said that the budget established for the original project was below the threshold requiring Board approval, but that the increased scope and budget now requires approval by the Board.

Purchase Recommendation

Next, Dr. Koritz asked Dr. Heather J. Haberaecker, executive assistant vice president, Office of Business and Finance, to report on purchase recommendations. Dr. Haberaecker commented on the recommended purchase of online learning support services for biomedical and health information services in the College of Applied Health Sciences at Chicago. She discussed the services this would provide and also shared information about the competitive bidding process. Dr. Koritz stated that this was also discussed at the meeting of the Audit, Budget, Finance, and Facilities Committee. Some discussion followed.

REVIEW COMMITTEE ITEM

Discuss Recommendation to Disclose Certain Minutes of Executive Sessions Pursuant to Open Meetings Act

Dr. Koritz then asked Dr. Kies to comment on the recommendation to disclose certain minutes of executive sessions pursuant to the Open Meetings Act. Dr. Kies referred to Open Meetings Act regulations and stated that it requires that minutes from business conducted under exceptions specified in the act must, at least every six months, be reviewed to determine whether the need for confidentiality still exists with respect to each item considered under such exception. She indicated that this recommendation would be discussed during executive session.

COMMITTEE REPORTS

Dashboard Report

At 4:32 p.m., Dr. Koritz asked Dr. Avijit Ghosh, chief executive officer, University of Illinois Hospital, to provide a dashboard report for the hospital (materials on file with the clerk). Dr. Ghosh provided an update on negotiations with the Illinois Nurses Association. He discussed the outcome of these negotiations and thanked hospital staff for their efforts during this time. Dr. Ghosh also commented on the potential for dealing with patients with Ebola and issues that are being considered related to this.

Dr. Ghosh then presented the University of Illinois Hospital dashboard, beginning with the average daily census. He reported that inpatient volume, outpatient

volume, and Mile Square visits have increased. Dr. Ghosh presented data concerning days of cash on hand, operating margin, and accounts receivable. Dr. Ghosh asked Mr. Jeffrey M. Rooney, interim chief financial officer, University of Illinois Hospital, to report further on hospital finances. Mr. Rooney discussed the statement of operations and volume metrics through August 2014 and emphasized the importance of patient volume growth, noting the impact of the recent increase in patient volume. He also reported on the hospital's payor mix. Discussion followed regarding the hospital's operating margin, and Dr. Ghosh emphasized the importance of growth. Dr. Ghosh told the committee that the reimbursement rate is declining faster than growth can increase, and Mr. Rooney provided additional information on reduced Medicaid reimbursement rates. Dr. Ghosh and Mr. Rooney commented that efforts are underway to reduce costs. Next, Dr. Ghosh presented data regarding the length of stay, which he said has decreased, and bad debt. He also reported on the decreased number of full-time equivalent employees per adjusted occupied bed.

Dr. Ghosh then asked Ms. Jodi S. Joyce, associate vice president for quality and patient safety, to report on quality measures. Ms. Joyce presented the inpatient mortality index and said that while this is not an active goal, it is an important metric to monitor. She then reported on post-operative pulmonary embolism or deep vein thrombosis rates and discussed improvements in this area. Ms. Joyce presented the 30-day readmission rate and said that no substantive progress has been made so far, and she discussed areas of focus, initiatives, and efforts to reduce the readmission rate by 20

percent to 30 percent by June 2015. Next, she reported on rates of sepsis mortality, which she said worsened from the previous quarter, and rates of central line associated blood stream infections and catheter associated urinary tract infections, which both showed improvements. Brief discussion followed regarding these measures of quality and patient safety, and Dr. Koritz thanked Ms. Joyce for the diligent work.

Dr. Ghosh returned to the dashboard report and commented on the overall Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) rating of the hospital and the HCAHPS metric that measures willingness to recommend, and he referred to interventions and improvements in these areas. He concluded the presentation at 4:59 p.m.

Legislative Report

Next, Dr. Koritz asked Dr. Nicole Kazee, senior director, health policy and strategy, to provide a legislative report (materials on file with the clerk). Dr. Kazee provided some information about UI Health Plus and presented a timeline for enrollment, fee-for-service, and capitation. She also referred to the federal and State elections and the upcoming veto session and said she will provide a report on the impact of these changes at the next meeting of this committee.

OLD BUSINESS

There was no business presented under this aegis.

NEW BUSINESS

Dr. Koritz stated that the next meeting is scheduled for Monday, January 5, 2015, at 3:00 p.m.

MOTION FOR EXECUTIVE SESSION

At 5:05 p.m., Dr. Koritz stated that a motion was in order to convene an executive session to consider the discussion of minutes of meetings lawfully closed under the Open Meetings Act. On motion of Mr. Estrada, seconded by Ms. Leibowitz, this motion was approved. There were no "nay" votes.

EXECUTIVE SESSION

Material redacted pursuant to the Illinois Open Meetings Act (5 ILCS 120/2.06d)

EXECUTIVE SESSION ADJOURNED

There being no further business, the executive session adjourned at 5:09 p.m.

AGENDA

At 5:09 p.m., the open session resumed. Dr. Koritz stated that there was one agenda item requiring action by the committee, and he asked Dr. Kies to read aloud the title of the item, "Disclose Certain Minutes of Executive Sessions Pursuant to the Open Meetings

Act." The committee agreed that one roll call vote would be taken and considered the vote on the agenda item as listed below.

Disclose Certain Minutes of Executive Sessions
Pursuant to Open Meetings Act

(1) Under the Open Meetings Act passed by the General Assembly, public bodies subject to the Act that conduct business under exceptions specified in the Act must, at least every six months, determine whether the need for confidentiality still exists with respect to each item considered under such exception.

An item from May 2013 through July 2014 that has been heretofore unreleased is recommended for release at this time.

The University Counsel and the Secretary of the Board, having consulted with appropriate University officers, recommends that the following matter considered in executive session for the time period above be made available to the public at this time.

The committee action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.

Executive Session Minutes Released to Public

May 13, 2013, University Healthcare System Committee

Dr. Kies stated that the Open Meetings Act requires that minutes from business conducted under exceptions specified in the Act must, at least every six months, be reviewed to determine whether the need for confidentiality still exists with respect to each item considered under such exception. She reported that she and Mr. Bearrows reviewed all sequestered items and recommend that one item considered in executive session during the December 1, 2011, meeting of the University Healthcare System Committee be made available to the public. She said this portion of the executive session minutes concern the discussion of the release of minutes that was held on that date. There were no questions or comments regarding this recommendation.

On motion of Mr. Estrada, seconded by Ms. Leibowitz, this recommendation was approved by the following vote: Aye, Mr. Estrada, Mr. Fitzgerald, Dr. Koritz, Ms. Leibowitz; No, none.

(The student advisory vote was: Aye, Mr. Frye)

MEETING ADJOURNED

With no further questions or comments, and on motion of Mr. Estrada, seconded by Ms. Leibowitz, the meeting adjourned at 5:10 p.m. There were no "nay" votes.

Respectfully submitted,

SUSAN M. KIES
Clerk

TIMOTHY N. KORITZ, M.D.
Chair

EILEEN B. CABLE
Assistant Clerk